

**MINUTES OF THE MEETING OF
THE REDEVELOPMENT COMMISSION OF GREENSBORO
PLAZA LEVEL CONFERENCE ROOM
MELVIN MUNICIPAL OFFICE BUILDING
April 8th, 2010**

The Redevelopment Commission of Greensboro met in a regular session in the Plaza Level Conference Room, Melvin Municipal Office Building, on Thursday April 8th, at 4:30 PM. Commissioners present were: Chair Jerry Leimenstoll, Angela Carmichael, Cassandra Rogers, and Dawn Chaney. Staff included Dan Curry, Dyan Arkin, Barbara Harris, and Cyndi Blue, representing the Housing and Community Development Department (HCD). Also present was Jim Blackwood, Esq., attorney for the Commission.

1. APPROVAL OF THE MINUTES OF THE FEBRUARY 11th, 2010 REGULAR MEETING

Chair Leimenstoll expressed his appreciation to staff for their efforts in revising the minutes. He felt the minutes presented were a much better representation of the proceedings.

Ms. Rogers moved to approve the minutes of the February 11th, 2010 regular meeting as submitted, seconded by Ms. Chaney. The Commission voted unanimously, 4-0, in favor of the motion. (Ayes: Leimenstoll, Carmichael, Chaney, Rogers. Nays: None.)

2. APPROVAL OF THE MINUTES OF THE MARCH 11th, 2010 REGULAR MEETING

Ms. Rogers moved to approve the minutes of the March 11th, 2010 regular meeting as submitted, seconded by Ms. Carmichael. The Commission voted unanimously, 4-0, in favor of the motion. (Ayes: Leimenstoll, Carmichael, Chaney, Rogers. Nays: None.)

Chair Leimenstoll stated that he received an email from staff concerning the Commission receiving hard copies of the packets, and asked what the other Commissioners' thoughts were. After some discussion it was decided that staff would send out the hard copy of the packets to Commissioners by the Friday before the regular meeting.

3. ARLINGTON PARK REDEVELOPMENT AREA: 1220 RANDOLPH AVENUE

Dyan Arkin stated that the property was acquired by the Commission in 2006. It has historic significance within the community. In December of 2007 the Commission approved a contract with Preservation Greensboro Development Fund to market the property for rehabilitation. The contract has been renewed once for an additional six-month period and expires on April 30th, 2010. Preservation Greensboro has had several parties interested, and there is currently someone interested in the property. Staff originally felt a six-month extension was the proper recommendation, but some other opportunities may be possible, which would require there not to be any contracts on property. Staff will know whether the opportunities will be feasible before the expiration of the current contract, but does not know if the extension would have any negative effect at this point.

Ms. Chaney asked what the other options were. Ms. Arkin stated that Neighborhood Stabilization Program (NSP) funds might be available for the rehabilitation. Staff has discussed this with Preservation Greensboro, and they are supportive of any option that is to the best interest of the property.

Julie Curry, 711-C Chestnut St., Preservation Greensboro Development Fund (PGDF), thanked the Commission for allowing them to be a part of the project. Their role is to facilitate a positive outcome for the property. They have shown the house, and there is currently an interested party having contractors look at the house, who has stated his intent to get back to the agency by the end of the month with either a proposal or a decision on pursuing the property. PGDF is not stepping away from the project. It is up to the Commission whether the contract is extended or not, but they would like to stay with the project.

The services they have provided for the property are free and were offered to take some of the burden off of staff to find a buyer. The contract also allows PGDF to be more involved with the details of rehabilitation and the expectations of development. PGDF will hold preservation covenants, which will continue to protect the property. They believe their continued relationship is good for the property. After funding issues are settled, they may be able to facilitate an in-depth study of the property. The contractors rehabbing the Share-a-Home house across the street is interested in participating in the work needed to rehab the house.

Ms. Chaney asked about the historic designation of the property. Ms. Curry stated that this property was not included in the National Register amendment. This section of the neighborhood is on the study list, which does not give the property any credit. It is not to the scale of stand-alone National Register property, so it would be better to get the neighborhood registered as a National Register neighborhood, and have the property as a contributing property. They believe the contract with the Commission gives a really good chance of finding an owner.

Ms. Chaney asked what the cost projection for restoration is. Ms. Curry stated that they have not currently calculated in the fire damage from last summer. A few members of the Preservation Greensboro Board have looked at the property, but a detailed review and estimate on rehabilitation needs has not been completed. Ms. Arkin stated that the staff rehabilitation specialist has taken a look at the property as well, but a full work right-up was not done. Based on their observations, they estimated the cost of rehab to be some where around \$12,000 to \$15,000 in additional costs. The total would be somewhere around \$100,000, bringing the total to approximately \$115,000. The NSP funds could help make repairs necessary to make the property more marketable.

Ms. Rogers asked if the NSP funds were being pursued to repair the property so it can be marketed. Ms. Arkin stated that was one possibility for using NSP funds, but there may be other options, which is why the issue needs to be further explored. The idea of using these funds came up very recently and is not fully vetted yet.

Cyndi Blue stated that the NSP funds are primarily to mitigate negative effects of foreclosures. The bulk of the money was budgeted for acquisitions of foreclosures in four primary target areas: Eastside Park, Ole Asheboro, Arlington Park, and Glenwood, but there are not a lot of foreclosures available in those areas anymore. The wave of foreclosure activity crested a year and a half to two years ago. Staff is in requesting a budget adjustment to shift some of the funding into a line item for the purchase of vacant property at the April 20th City Council, which would open the funds up for projects like 1220 Randolph.

Ms. Curry asked if PGDF could assist by advocating for this. Ms. Blue stated that the neighborhood has already identified the property as a key concern for the area. It is now just a matter of expanding the parameters of the program. Staff is currently in the property identification process and making decisions as to what properties will be included.

Chair Leimenstoll asked what time frame Ms. Blue was on. Ms. Blue stated that all funding has to be obligated by the end of June. Ms. Curry stated that if they are able to get a clear indication if the funding will be available from this source, they have enough interest to market the property as such.

Ms. Chaney asked if the funding from Ms. Blue's program would be used to buy, rehab, and then sell the property. Ms. Blue stated that the preference is to buy the properties, and then sell them to a developer at a discounted purchase price to make the end product affordable.

Chair Leimenstoll asked for comments from the neighbors.

Robert Caple, 1304 Randolph Ave., a member of the Arlington Park Neighborhood Association, stated that the primary goal of the neighborhood is to save this house and others in the neighborhood. He came

to the meeting thinking that PGDF might be ready to walk away from this property and is very pleased to hear that the commitment still remains both from PGDF and the City. He is excited about possible funds to facilitate a more marketable property. The Neighborhood Association is also actively involved with the house directly across the street. There success across the street directly relates to the ability for the house at 1220 Randolph to be sold and rehabbed.

Ms. Curry stated that several houses in the neighborhood have been cited for violations and demolition. It is a pivotal time to address the needs of the area. If these funds could be accessed it could have a dramatic impact on the whole neighborhood, not just the property at 1220 Randolph Ave. Chair Leimenstoll stated that it is important because the City's has made efforts in cooperation with the neighborhood's efforts over the last several years. Ms. Curry stated that they have discussed expanding the community input through the use of the property for training purposes in association with the Malachi House.

Ms. Rogers asked if this funding could make the property more attractive for the interested party. Ms. Curry stated that she felt it would. Ms. Arkin stated that until they determine how the structure and funding will work no mention of the funding will be made to the interested party.

Chair Leimenstoll stated that another factor may be a rise in interest rates not too far in the future, which may persuade people to make decisions about purchasing property more quickly.

Ms. Arkin stated that staff would like to ask for a motion that allows the flexibility to extend the contract with the Preservation Greensboro Development Fund, but if it is determined prior to the end of the contract that it makes more sense for a different arrangement the Commission cannot held to a contract. There is a possibility that having this contract on the property will inhibit the ability to do something with these funds. There needs to be flexibility because the time frame does not allow for the matter to wait for the Commission's next regular meeting.

Mr. Blackwood stated the motion needs to allow extension of the contract with an early termination option by the Commission at its reasonable discretion.

Chair Leimenstoll asked if there would there be a similar contract with the purchasing agency. Ms. Blue stated that the contract would be through the purchasing agent for the program. Ms. Curry stated they did not want to be an obstacle in any way, but would like to remain involved in a similar role if possible. If the contract needs to be terminated at this point they would support that.

Mr. Blackwood stated that terminating the contract at this point would not be best. If the contract is terminated it would need to go back through public advertisement and the entire process reestablished. He suggested that the motion should allow the six-month extension of the contract, but subject to the additional term of the right of the Commission for early termination in the Commission's sole discretion. That allows the contract to be terminated, if necessary, and the extension of the contract if that is best.

Ms. Arkin asked if the Commission votes to approve a six-month extension to this contract, and staff decides before the extension takes place, does the contract have to be extended. Mr. Blackwood stated that he felt two actions would be necessary anyways. If the sale of the property is done in another way the Commission will have to approve that. At the same time they approve a different sale procedure they could also terminate the contract.

Chair Leimenstoll stated that the process would include either transferring the property to the City or selling it to the program purchasing agent. He asked if there would still be a process of public bidding. Ms. Blue stated that there will be a Request for Proposals process to solicit developers to acquire houses. The focus right now is obligating funds for acquisition. Chair Leimenstoll asked how to get PGDF back into the property. Ms. Blue stated that has not been determined yet, also the City Council has directed as public a process as possible.

After direction from Mr. Blackwood on wording, Ms. Rogers moved to extend the contract with Preservation Greensboro for 1220 Randolph Ave for a period of six months, to end on October 31st, 2010, subject to the option for early termination at the sole discretion of the Redevelopment Commission of Greensboro, seconded by Ms. Carmichael. The Commission voted unanimously, 4-0, in favor of the motion. (Ayes: Leimenstoll, Carmichael, Chaney, Rogers. Nays: None.)

Ms. Chaney asked if a purchaser knows there is a contract on the house with PGDF it will limit the possibility of the property being purchased by a developer. Ms. Curry stated that is possible, but the development standards set by PGDF are the same as set by the Commission.

4. LINCOLN GROVE APARTMENTS UPDATE

Chair Leimenstoll asked Ms. Blue for a quick update on the Lincoln Grove proposal. Ms. Blue stated that the project did not score well on the preliminary tax credit application with the North Carolina Housing finance Agency. It was in the bottom third of the metro category, and the owners of the property were still deciding whether to continue with the application process. They have a much higher scoring application on a property in High Point, so it is possible they will choose to pursue that project instead.

Chair Leimenstoll asked what kind of things they are graded on. Ms. Blue stated that one aspect that probably had the greatest effect was the number of subsidized units in the area. The preliminary round scoring focuses on neighborhood characteristics and market characteristics.

Chair Leimenstoll asked about the impact of the design guidelines. Ms. Blue stated that they submitted drawings to the town architect, and he replied with a list of suggestions, most of which centered around access and screening. There were a couple suggestions that were going to be significant, but most of them had a small impact.

5. SOUTH ELM STREET REDEVELOPMENT AREA: DISPOSITION AND DEVELOPMENT

Dan Curry presented a more detailed and comprehensive property disposition schedule to the Commission for review. He gave a brief overview of the schedule, and asked for the Commission to review it for the next meeting. Staff put together a list of steps that need to be taken and estimated the time for each of these steps. There are five stages to the project. They are now in the pre-marketing stage, next marketing the property, proposal review, development agreement, and finally monitoring the project. This is a big, complicated project, and it will take some time to get through the steps. This represents an ideal scenario, but there are several steps that could take much longer.

Some time in the next week, or so, staff will send a full draft of the RFP to the Commission to allow several weeks for them to review the document before approval. During that time staff also hopes to put the technical team in place. If the Commission approves the draft RFP at the next meeting, the draft would be given to the technical team for review and comments. Then the RFP would be approved at the June meeting so it can be advertised. Staff is working towards a June date for putting this property on the market. Everything follows from that point.

In Phase III, the Commission will select a developer; have that selection ratified by City Council; and advertise the property for a negotiated sale subject to upset bid, as laid out by State statute. Mr. Blackwood stated that the City commitment of funds or assistance will probably be a condition of the proposals submitted, and that will need to be worked through in conjunction with the City Council. The language needs to clearly specify that approval of the bid does not constitute any approval by the City as to any other investment as far as infrastructure or other investments.

Mr. Curry stated that a couple of the steps address the issue of the City's commitments. Before the RFP is issued, in Phase I, staff suggests briefing City Council on the process, the information in the RFP, and

what commitments the City might be asked to make. In Phase III the City Council would ratify the proposal selected. Phase IV, in negotiating the development agreement, clearly requires City Council actions to make formal commitments of funding.

Ms. Chaney asked if the RFP would be for the entire site or for portions. The RFP would be for the entire 6.97 acres, but land transfer could take place in phases based on the developer and financing structure. Similar situations have also been seen in Willow Oaks where the land has been leased to the developer.

Chair Leimenstoll asked if the information in the marketing plan presented to the Commission last month still apply and how it fits into the plans for the project. He cited the section about market opportunities and challenges, and the comment that the Commission's leadership role has not been implemented as much as may be needed. He stated that the Commission's role for this project will need to be more than the two or so hours a month of the regular meetings. Mr. Curry stated that the plan had a lot of good information, and is being taken into consideration in implementing this project. Staff agrees that this is a major undertaking, and that HCD does not currently have sufficient staff to implement this project, but he felt the writers of the plan probably did not have a good understanding that the City staff is also the staff of the Commission. Mr. Blackwood stated that he agrees that they did not see that the efforts of the City staff are in large part efforts of the Commission. Chair Leimenstoll stated that the Commission needs to be more involved and informed about what they vote on and that Commissioners are going to have to work harder with staff to learn more about the items that come before them.

Ms. Rogers asked what Chair Leimenstoll's recommendation was to improve the leadership role of the Commission. Chair Leimenstoll stated that information sessions and the use of subcommittees may be necessary. It is certain that the Commission will need to commit to the project. He is concerned about the potential for really good things to happen, but the Commission not having the time or resources to fully understand or explore those. Ms. Carmichael stated that the Commission must have confidence in the material presented to the Commission by staff.

Mr. Curry agreed that there will be times during the project when the Commission will have to spend more time than the regular monthly meeting. This can include special meetings or subcommittees, but it will take more time and commitment.

Chair Leimenstoll stated that he is not willing to make commitments for anyone else, or even ask for the commitment. He stated he will make a commitment to this project and whatever else is necessary to meet with staff, explore these issues, and report back to the Commission. Ms. Rogers agreed with the Chair. She stated that the Commission should not rubberstamp the suggestions of staff, but rather should be in a position to give them sound contemplation. She committed to giving the project more time.

Ms. Arkin stated that another issue outlined in the document is that staff has not been able to put the resources into the project. Staff will continue to discuss how, as staff, they support a project as important as this. One thing they must do is allow the Commission enough time to appropriately review information and respond. One thing that is valuable about the schedule is that it puts realistic time frames on the steps necessary for the project. Staff understands the commitment of the Commissioners and appreciates it, but staff also needs to step up to the needs of the project.

Chair Leimenstoll stated that his experience in the field requires him to be committed to keeping the bar as high as possible.

Ms. Arkin stated the other topic of discussion is the technical advisory committee. Mr. Curry stated that staff suggests getting a team together to make sure the right skill sets are available to provide information to the Commission. Two people were discussed last month. Two other people are being considered for the project at this point. Both are designers. Seth Harry, an urban designer, has worked with the City on several projects in the past and has done a large amount of mixed-use development design work across the country. He has done some work with Willow Oaks, and staff feels he will bring

some good experience for moderate intensity mixed-use development. These three people will help fulfill the needs of expertise in economic development, community, and urban design. The fourth individual is John Linn, a local architect who provides Town Architect services in the Willow Oaks project. The thought is to have him act as a team facilitator, and he can also facilitate feedback from the team to the Commission. This makes four members rather than the three suggested by the Commission, but the facilitator role is important. Mr. Linn can also bring a much-needed local perspective to the technical team. Staff has not contracted with anybody yet and must work through a procurement process to get the team in place.

Chair Leimenstoll asked if Mr. Curry had any further discussions with the two members brought up last month. Mr. Curry stated that he had not, but was confident they are still willing to participate.

Ms. Chaney stated she supported the idea of including a team member that could add the local perspective.

Chair Leimenstoll stated that he felt Mr. Linn would help the Commission better understand the process and technical details.

Mr. Curry stated staff envisions these as on-call contracts. There will be a financial commitment required, but it should not take a great deal of money to provide these services. Staff wants them to help review the RFP before it goes out, and then review the proposals to provide feedback to the Commission. They are comfortable with the approach and just need to work through the logistics of getting people in place.

Ms. Rogers moved that staff procure Mitch Silver, Mac Nichols, John Linn, and Seth Harry, if available, or other individuals as necessary, to form a technical advisory team for the South Elm Street Redevelopment Project, seconded by Ms. Chaney. The Commission voted unanimously, 4-0, in favor of the motion. (Ayes: Leimenstoll, Carmichael, Chaney, Rogers. Nays: None.)

Chair Leimenstoll asked when the draft of the RFP would be sent to the Commission members. Mr. Curry stated that staff is planning on having it ready sometime next week, and the Commissioners should review the document for the May regular meeting. Chair Leimenstoll suggested that the Commissioners review the marketing plan because it has important information about the project.

Tobin Shay, 1814 Bear Hollow Road, asked that the documents presented to the Commission be made available to the public on the Commission's website. Staff stated they would be happy to send him a copy if they provided them his contact information.

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There being no further business before the Commission, the meeting adjourned at 6:13 PM.

Respectfully submitted,

Dan Curry,
Secretary, HCD

DC/jd